

Michigan Education Trust and Michigan Education Savings Program

Similarities and Differences

MESP

- ⇒ Save for all post-secondary education expenses (e.g. tuition, fees, room, board books, supplies and equipment required for enrollment)
- ⇒ Use savings for a child to attend any “eligible educational institution” in the nation
- ⇒ Save as much as \$235,000, deposit as little as \$25
- ⇒ Contribute \$600 or more during the first year for a newborn to 6 year old child and receive \$200 in matching funds for families with annual income of \$80,000 or less
- ⇒ Allowed one change in investment strategy every 12 months

Similarities

- ⇒ Enjoy the benefits of qualified state tuition programs (QSTP) Section 529 plans of the Internal Revenue Code
- ⇒ Obtain state and federal tax exemption for qualified withdrawals
- ⇒ Open a separate account for any child
- ⇒ Obtain a state income tax deduction for Contributions
- ⇒ Transfer accounts among siblings
- ⇒ Accept Rollovers from other 529 Programs
- ⇒ Gift tax exemption

MET

- ⇒ Prepay tuition and secure an opportunity for future college education
- ⇒ Select a contract option for a child to attend a Michigan public four-year university or community college
- ⇒ Obtain a refund to attend Michigan independent or out-of-state colleges
- ⇒ Ignore the rising cost of tuition. . . it is locked in
- ⇒ Prepay tuition in monthly installments, payroll deduction or a lump sum
- ⇒ Purchase for children newborn to 10th grade, and they are allowed 9 years to complete college

Michigan Education Trust, P.O. Box 30198, Lansing, Michigan 48909
1-800-MET-4-KID (1-800-638-4543), Fax: 517-373-6967, WEB: www.michigan.gov/treasury
Michigan Education Savings Program, P.O. Box 30361, Lansing, Michigan 48909
1-877-861-MESP (1-877-861-6377) WEB: www.misaves.com